



AGENCY CONTRACTED AUDIT PROCESS

NOTE: The Agency Contracted Audit program (ACA) requires the RIG office to be actively involved in the management of the process.

1. The ACA – Audit Process

- a. Audit Statement of Work is approved by RIG/Pretoria;
- b. USAID Mission sends out a Request for Quotation (RFQ) from Independent Auditors on RIG/Pretoria's list of approved audit firms;
- c. Quotations received are evaluated by a panel and a firm selected;
- d. USAID Mission prepares a Purchase Order or Contract for the Audit;
- e. Purchase Order or Contract is accepted by the selected auditor;
- f. Selected auditor submits an Audit Plan or Audit Program to RIG/Pretoria for approval;
- g. Audit Plan or Audit Program is approved by RIG/Pretoria, and auditors asked to schedule an Entrance Conference;
- h. Entrance Conference is held;
- i. Auditors begin their audit fieldwork. During field work, matters or issues identified are discussed with management and staff of the recipient;
- j. RIG/Pretoria conducts a review of auditor's working papers;
- k. Field work completed;
- l. Auditors hold exit briefing with recipient to summarize open findings that will be included in the draft report (NOTE: If any written findings are provided by the audit firm to the recipient, each finding must take the form of a brief bullet point. Under no circumstances should a detailed written finding and/or report and/or a request for written comments be provided by the auditors to the recipient before the draft audit report is approved by RIG (step q of this process));
- m. Draft audit report prepared and submitted to RIG/Pretoria for review;
- n. RIG/Pretoria performs a desk review of the draft audit report;
- o. RIG/Pretoria submits comments to the auditors to correct or revise the audit report (if necessary) and improve the quality of the auditor's working papers;
- p. Revised draft report, satisfactorily correcting all deficiencies previously communicated to the auditors, submitted to RIG/Pretoria for approval;
- q. Draft audit report is approved by RIG Pretoria;
- r. Auditors distribute approved draft report to USAID Mission and Recipient and schedule an Exit Conference;

- s. Exit Conference is held to discuss the ACA process from date of Exit Conference to date of submission of final audit report. (Responsibilities of all parties involved). NOTE: The purpose of the Exit Conference is not to discuss the findings in the report;
- t. Recipient is given reasonable time (determined by the auditors) to provide written comments/responses to each of the findings in the draft report.
- u. Auditors evaluate and incorporate Recipient's management comments or responses verbatim in the draft audit report. (NOTE: No additional audit work will be performed by the auditors);
- v. A draft report, incorporating Recipient's management comments, is submitted to RIG/Pretoria for approval;
- w. Draft report is approved for finalization;
- x. Auditors finalize the report (Sign and date it) and submit copies to the USAID Mission; specifically, the Financial Management Office;
- y. USAID Mission submits copies of the finalized report to RIG/Pretoria for issuance; and
- z. RIG/Pretoria issues the final report.

Late updated: April 28, 2006